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Report of the Annual Meeting April 25, 1980

ANNUAL MEETING REPORT

This brief report has been prepared for the benefit of shareholders who were unable to attend the Annual Meeting.

The meeting was convened at 2:30 p.m. at the Royal York Hotel, Toronto, with about 700 in attendance. Alfred Powis, Chairman and President of the Company, acted as Chairman. There were 82,742,683 shares or 73.4% of the total issued shares represented either in person or by proxy.

The Annual Report, including the Auditors' Report, was submitted to the meeting.

The following shareholders, who were present, were elected Directors of the Company: James C. Dudley, Louis Hébert, William James, A. J. Little, L. G. Lumbers, T. H. McClelland, W. D. McKeough, D. E. Mitchell, André Monast, Alfred Powis, W. P. Wilder and A. H. Zimmerman.

Clarkson, Gordon & Co., Chartered Accountants, were reappointed auditors.

Special Resolution Number 3, authorizing an increase in the authorized capital of the Corporation by increasing the number of common shares from 120,000,000 to 150,000,000 and by creating 5,000,000 preferred shares with a par value of $100 each was approved by a vote of 65,580,260 shares to 648,044.

A number of statements and questions relating to Noranda's participation in the development of the Andacollo orebody in Chile were made by shareholders.

Questions were asked concerning the Zinor transaction, the estimated value of Canadian Hunter's potential, the future possibility of cumulative voting being adopted by Noranda, and additional information on social responsibility and occupational health and safety being included in either interim reports or the Annual Report to shareholders.

The meeting adjourned at 4:15 P.M.

NORANDA MINES LIMITED

Remarks to Shareholders
April 25, 1980

Opening Remarks by Alfred Powis

During the dark days of the mid 1970's, we kept trying to comfort ourselves and our shareholders with the statement that Noranda would have substantial earning power when product prices approached the levels needed to justify new capacity, as eventually would have to happen. At last, this did begin to happen in 1979 but, quite frankly, it came as somewhat of a surprise in relation to our expectations at the time of this meeting last year.

At that time, we had a reasonably good first quarter behind us, but we were concerned about the widely-forecast U.S. recession, a heavy collective bargaining calendar and a possible rise in the value of the Canadian dollar. Thus, while the outlook seemed much brighter than anything we had faced for some time, we stated that the foundations of our apparent prosperity were somewhat fragile as a number of things could go wrong over the balance of the year.

In fact, everything went right. There was no recession, at least in terms of the markets for most of the products of the Noranda Group. Demand remained reasonably strong, and the prices of many products rose towards the level needed to justify new capacity, although generally not to historically high levels expressed in constant dollars. In addition, the Canadian dollar failed to strengthen, and the heavy collective bargaining calendar was negotiated without major new interruptions to production. As a result, 1979 earnings of $395 million were very much better than expected at this time last year.

For the first time since 1974, a reasonable return on net assets was achieved. Over the past five years, however, this return has averaged under 10%, which is totally inadequate. Moreover, such rate of return calculations relate earnings in current dollars to assets valued at historical costs and are thus seriously inflated. Finally, as pointed out in the Annual Report, real earnings last year were only about 80% of those reported when adjusted by one recognized method of accounting for the effects of inflation.

Noranda's performance through this period, however inadequate, has been better than that of most of the companies to which we compare ourselves, but this merely points up the fact that the average conditions of the past five years were unsustainable in the long run. Considerably higher prices in constant dollars will be required in future if the resource industries are to continue to provide the quantities of basic commodities needed.

Following 1974, it was necessary to reduce the dividend. With the recovery in earnings, we were pleased to be able to increase the dividend over six consecutive quarters to the level of 30¢ on the split shares in February. The most recent quarterly rate is 80% higher than that established in 1974. However, we are also very conscious of the fact that, when adjusted for inflation, the improvement is only 17%.

Previous remarks to shareholders have discussed Noranda's financial condition in some detail, as this became a source of concern both inside and outside the company during the post-1974 period. The low level of earnings, combined with capital expenditure requirements and the ravages of inflation, strained Noranda's liquidity. Since the low level of earnings also impaired Noranda's ability to raise either debt or equity capital, there was no alternative to a policy of retrenchment.

However, Noranda's fundamental commitment to sound growth remained unchanged, and the first priority of the directors and management has therefore been the restoration of the financial strength needed to permit pursuit of this goal. The most important and satisfying achievement of 1979, therefore, was the very substantial improvement in Noranda's financial condition.

The mergers with Mattagami and Orchan, the major common share issue in November and the relatively strong earnings performance all made essential contributions to this improvement. Shareholders' equity rose by $579 million in 1979 and, despite record capital spending, net working capital rose by $406 million. The acquisition of Maclaren Power and Paper has further improved the position since the year end. Maclaren has only a nominal amount of debt and surplus liquid assets of nearly $100 million. This acquisition, together with reduced operating working capital requirements, has resulted in the virtual elimination of Noranda's net short term debt since the year end. Net working capital has risen by a further $117 million and shareholders' equity by $318 million.

As Noranda's financial position improved through 1979, we were able to take advantage of several opportunities that we would have had to forego in previous years. With the equity issue and the Maclaren acquisition, the momentum has accelerated, and while we are determined not to dissipate the financial strength we have achieved, there are a considerable number of new developments underway. In the aggregate, these involve gross ongoing expenditures of more than $2 billion. Funds provided by partners, project financing and affiliates will reduce the direct expenditures by Noranda and subsidiaries to a fraction of this amount, but capital spending will nevertheless be at an historically high level over the next two to three years.

To discuss conditions in Noranda's mining and metallurgical businesses as well as the new developments in that area, I now turn the meeting over to Bill James.

Remarks by William James

Favourable exchange rates and reasonable prices for several base metals, combined with good productivity at most operations over the past year, resulted in a tripling of mining and metallurgical profits over 1978. Return on net assets in this sector of the business in 1979 was 20%, up from 10% the previous year. With today's inflation and cost of borrowing, a 20% return is probably close to the minimum required to sustain a capital intensive industry such as ours.

It is interesting to note that base metal prices at the end of the first quarter were approximately the same as those of a year ago. Precious metal prices, on the other hand, doubled over the same period. Although precious metals are the primary products of only two companies in the Group – Pamour and Kerr Addison – they are by-products of varying significance at most of our mines, notably Brunswick which produces slightly in excess of five million ounces of silver annually. Brunswick's earnings last year reflected improved silver prices.

The copper mines in the Noranda Group, including Placer, produce about a quarter of Canada's output of 900,000 short tons of copper per year in concentrate, and Canadian Copper Refiners produces about three quarters of Canada's copper metal of 565,000 tons per year. Operations at the Horne smelter were normal throughout the year, but production at Canadian

Copper Refiners was lower in the first half due to the Gaspé strike. After return to work in June, Gaspé performed well and generated its first profit in five years. Geco, Brenda and Bell Copper had good production and cost performances. In December the Granisle mine in northern British Columbia was purchased. This is a 13,000 tons per day open pit operation with 42 million tons of reserves with a grade of 0.41% copper and some by-product gold and silver.

In zinc, the Noranda Group produces one-third of Canada's output of 1.4 million tons of metal in concentrate and one-third of Canada's refined metal production of 660,000 tons. With improving zinc markets, Canadian Electrolytic Zinc increased throughput during the year and is currently operating close to full capacity. Integration of the Mattagami and Orchan operations was successfully completed, and the Canadian zinc mines all had good production and profitability. In October, Heath Steele Mines was acquired. This company has a 75% interest in a 31 million ton zinc, lead, copper, silver orebody in New Brunswick with a 4,000 tons per day plant in operation. The Tara mine in Ireland, in which we have a 42% interest, continued to have production difficulties and, since it has heavy debts and no significant by-product silver, generated only a modest profit.

Kerr Addison's Agnew Lake uranium property was not able to reach target rates of production, and mining operations were curtailed in September. It will operate on a salvage leach basis for at least the next two years. Noranda's share of the write-off of this operation was some $24 million after taxes.

Other mines in the Group performed well, and Central Canada Potash made a small profit for the first time in its ten-year history. This was the result of good operations and markets, combined with a generous reduction in taxes from a rate of well over 100% to only 78%. Before becoming overjoyed at this change, it should be kept in mind that our incremental tax rate on this operation is 91%.

Orebodies are finite masses that are continually being depleted. Thus, if a mining company is to survive, new deposits must be found and developed to replace exhausted mines. If we mine some 55 million tons of various types of ore per year, we must develop or acquire at least the equivalent amount of metal content to survive, and a still larger amount to grow.

Noranda's exploration expenditures in 1979 were $24 million, and will be increased this year to $31 million of which 60% will be spent in Canada. There are a number of promising ventures, and at least one new ore deposit should be delineated this year.

In 1979 three operations were added to the Group – Chadbourne, Heath Steele and Granisle. In 1980, four new mines will start production: the Lyon Lake deposit in the Sturgeon Lake area of northwestern Ontario, which is a relatively high-grade zinc-copper-lead-silver deposit; the Camlaren mine in the Northwest Territories, which is a very small high-grade gold deposit; the Lakeshore mine in Arizona, which is a low-grade copper deposit; and the Park City mine in Utah, which is a zinc-lead-silver property. Two small new base metal mines are scheduled for 1981, the "F" Group in the Sturgeon Lake area and Les Mines Gallen in the Noranda area. In addition the Hopewell phosphate project in Florida will likely come on-stream in the latter part of that year. Several small projects are scheduled to commence production in 1982, the most interesting of which is the Goldstream copper-zinc deposit north of Revelstoke, British Columbia. We are presently finalizing negotiations on the Andacollo copper deposit in Chile and expect it to start production in early 1983. The Blackbird cobalt-copper deposit in Idaho will likely start production in 1984.

Placer owns a one-third equity interest in the Real De Angeles mine near San Luis Potosi, Mexico, a silver-lead-zinc deposit which will be brought into production at 10,000 tons per day in 1982. Placer also holds a 70% interest in the Equity Silver mine near Houston, B.C., a silver-copper deposit which is expected to come into production at the end of this year at a rate of 5,000 tons per day. Both of these projects will show a good profit if current silver prices are maintained.

The total capital cost of all of these projects is approximately $1.1 billion, 80% of which has either been already spent or is provided for by project financing, affiliates or partners. The remaining 20% will be provided by Noranda.

A high level of exploration and development activity is being maintained by the Canadian Hunter oil and gas operation, currently using 23 contract drilling rigs and a dozen service rigs on well completions. This joint venture, in which Noranda holds a 75% interest, now has in excess of one trillion cubic feet of proven and probable gas reserves.

The Elmworth and Wapiti gas plants and wells, which went on production on November 1, 1979, are performing satisfactorily, and have doubled Hunter's peak winter gas production from 30 to 60 million cubic feet per day. Operating cash income from Noranda's share of production is expected to approach $15 million in 1980. A substantial increase in gas production at the Elmworth plant will begin on November 1, 1980 when the sales contracts convert to a ratio of 1 million cubic feet per day for each 7.3 billion cubic feet of reserves.

The sale of the Kipp Coaldale gas field last year and the exchange of Lloydminster heavy oil reserves for acreage in the British Columbia Deep Basin were carried out to concentrate effort in the gas areas of northern Alberta and British Columbia, where Hunter has achieved the best exploration results. Seismic work has already begun on the 4.8 million acres acquired in the Nechako Basin in the central interior of British Columbia early this year.

At the end of March, Esso completed its $150 million earning expenditure begun in August, 1978. Esso has now earned a full 12½% in the Elmworth-Wapiti lands and 17½% in other Canadian Hunter acreage, and will participate in future expenditures and proceeds in these percentages. As a result, Noranda's share of expenditures will increase this year to around $100 million, compared to $49 million in 1979. It is interesting to note that Noranda's level of annual expenditures is now approaching the $121 million net expenditure for the whole first 6½ years of Hunter's existence. However, income from production is also now starting to rise, and this operation will become a significant contributor to Noranda's overall earnings within a few years.

Noranda Research continues to provide technical services for the Group, as well as research and development in support of existing business and new project development. Expenditures for this year will be in excess of $6 million.

Environmental improvement is an on-going program of Noranda, and last year expenditures within the Group were $20 million. We readily admit that the environment around some of our operations is still not perfect, but we are continually undertaking and researching programs to improve both working conditions and reduction of emissions at our plants.

If present base metal prices prevail, 1980 should be a reasonably good year for the mining and metallurgical operations of the company. We are continuing our active effort to find or acquire new deposits to provide continued growth and profitability of our enterprises.

I now turn the floor over to Adam Zimmerman to discuss developments in manufacturing and forest products.

Remarks by Adam H. Zimmerman

The activities in manufacturing and forest products were well chronicled in the 1979 Annual Report. I don't propose to repeat much of that but I would express the hope that you all read the Annual Report; it was written for you. The aggregate profit contribution of these two segments of our business was greater than the profits of Noranda as a whole in all but two previous years. Sales of $1⅛ billion produced a return on net assets in manufacturing of 11.1% while Noranda's $¾ billion sales in forest products produced a return of 16.4%. These excellent financial results have added welcome strength to the individual balance sheets of the various units, which will be vital as we enter the shoal-infested waters of the 1980's economy.

The presently identifiable shoals besides inflation are high interest rates, housing starts down one-third, and auto production down 25%. These are offset in part by increased capital spending. Broadly speaking, these conditions will depress the potential for profits from Canadian manufacturing.

The Montreal group has an ambitious plan for production rationalization, which is intended both to minimize capital employed and improve cost effectiveness. This group is very much stronger than at any time in the last several years, and as its plans mature it should be able to maintain its profit contribution. In particular, the evident improvement at both the Special Metals Division and at Bridon American are heartening, as previous losers have become profitable.

The Toronto group should gain increasing benefit from the production rationalizations and acquisitions of the last two years, and from the continued improvement in plastics operations. Nevertheless, their business is very dependent on housing and related construction as well as autos, which casts a pall on prospects for 1980. It is probable that the

foreign operations will be operating in similar economic environments.

Given the fact that we now have strong balance sheets, we operate in mature industries which produce fairly predictable results, and we have some exposure to higher technology areas, one strategy in our Canadian manufacturing will be to seek alliances with producers who may need what we have to offer, our Canadian citizenship, plus our general commercial skills and financial strength, are desirable to many who would seek to develop their Canadian presence. Candidates are those with financing limitations and those who are precluded from the Canadian market by present and potential restrictions on foreign investment.

Our aluminum companies, all in the United States, had a most successful year in the aggregate. This group is a well-integrated package of primary production, scrap reclamation, rolling, extrusion and wire drawing. In 1980, the building products manufacturing and distribution business is very vulnerable to the drastic fall in housing starts, and will have a pretty tough year. Nevertheless, the other units are strong in an industry where growth in demand is double the rate of growth in supply. This supply-demand outlook has led us to study more actively the feasibility of building a third potline at New Madrid. While it will take some time to develop this study, it is a matter of priority to those involved with our aluminum enterprise.

Turning now to forest products, a few figures may put some perspective on our interests. We harvest five million cunits of timber per annum, which requires the sustained growth of 8½ million acres. Overall, our forest operations are conducted throughout about thirty million acres of Canada. The annual wood products production of our companies would fill 35,000 boxcars, and our pulp and paper production would fill another 20,000.

The main event in forest products since the year-end has been the acquisition of Maclaren Power and Paper, a company which we and everybody else in the industry have long admired. Its assets, which are centred near Buckingham, Quebec, are neatly concentrated, and the company's conservative management over the years has created the most cost-efficient newsprint operation in the country, fortified by the strongest balance sheet in the industry. It produces 155,000

metric tonnes of newsprint per year on two machines powered by the company's own hydroelectric facilities. Wood supply is adequate not only for existing operations but also potentially for a fifty per cent increase in production by machine speed-ups. The company's 110,000 metric tonne per year hardwood kraft pulpmill integrates with the fine paper operations of Fraser as well as other fine paper production in Eastern Canada. It too has a potential for expansion in either pulp or fine paper production. In addition, Maclaren operates two sawmills, the largest producing hardwood lumber, and a particleboard plant which is owned in partnership with S.G.F., the Quebec Government industrial holding company.

As with mining, all of our forest products companies have major capital expenditure programs before them.

Fraser has spent $150 million since our acquisition in 1974 and probably has a similar amount to go, primarily at its outdated Atholville mill. It completed the groundwood paper expansion and new coaters in March, 1980. Northwood Pulp and Timber is in the process of building another waferboard plant in the U.S. and is doubling its pulpmill capacity. The latter is a project that calls for some pretty cool nerves, first because of the timber supply and second because of escalating capital costs, now estimated to be in excess of $300 million. It took a year before the timber supply position became clarified, but last March the government finally set out the terms and conditions of wood harvesting in the interior of British Columbia in a way that we did not feel was inimical to our project. Finally, British Columbia Forest Products is maintaining its aggressive record of new plant construction. The prime projects are the third newsprint machine at Crofton and development of two sawmills followed by a groundwood pulp facility in Alberta. In addition, the company has materially strengthened its coastal timber position through the purchase in February of the Elk River Timber Company for $151 million.

The projects being undertaken by these four companies add up to more than $1 billion of expenditures over the next three years so that, while we perhaps do our share of buying other companies, we do more than our share of building new assets.

The prospects for the forest products companies in 1980 are not as bright as during the last two years, primarily because of the collapse in markets for wood products. Indeed, at this

time the lumber market has virtually disappeared. On the other hand, pulp markets are still strong, as are the fine paper and newsprint markets in which we are operating. While we probably won't have as good a year as in 1978 and 1979, in a relative sense we should do better than most others in the business.

I now turn the meeting back to Alfred Powis.

Concluding Remarks

In the early 1970's, Noranda's objectives and strategies were spelled out by the management in connection with our long term planning at that time. As the objectives have not changed, it may be useful to repeat now what we said then.

Noranda's fundamental objective is to use its capital, and the skills and abilities of its people, to provide a satisfactory and growing return on its shareholders' investment. However, there are some basic constraints on this fundamental objective:

(1) We cannot ignore the social implications of how this return is achieved. For example, a project where an otherwise attractive rate of return depended on significant damage to the environment or on substandard wages or working conditions would be unacceptable.

(2) It is important to emphasize the combination of capital and skills. However tempting a new opportunity may appear, we should only venture beyond our existing areas of management competence with great caution.

(3) Noranda is Canadian-owned and Canadian-managed, and we want to keep it that way. Thus, for example, growth by merger with a major foreign corporation would probably be ruled out, although growth through international expansion is probably necessary if our objectives are to be met.

The specific objective set out in the early 1970's was an 11% real annual growth in earnings per share which, assuming a 4% inflation rate, would require a 15% growth rate in nominal terms. This was stated to be a difficult but achievable target. It was explicitly recognized that this would require substantial investments in new ventures and a high priority was placed on the search for opportunities through exploration, research and a generally entrepreneurial spirit in the organization. Also, both new ventures and existing operations would have to meet

some fairly demanding tests in terms of return on investment.

In fact, of course, we hit some bumps along the road. The 4% inflation assumption was overtaken by events, actually averaging close to 9%, which required a nominal 20% growth rate to meet the target with respect to real earnings. The post-1974 recession caused a serious setback in terms of profits. It also caught us in the middle of heavy capital expenditure programs in pursuit of our objective, which with reduced earnings and inflation contributed to the financial strain that has only recently been alleviated. This financial strain, in turn, required subsequent restraint in terms of new projects, with further adverse consequences in terms of the earnings goal.

If we were simply to compare 1979 earnings per share with those at the beginning of the decade, we might argue that the objective of 11% real growth was exceeded. This, however, would be specious since it would ignore the impact of some intervening very bad years. If those are averaged in, our real growth in earnings per share during the decade was closer to 6% per year, or about 15% in nominal dollar terms, obviously with very wide annual fluctuations above and below the real growth trend line. Thus, while earnings in 1979 were well above even an 11% trend line, we failed to achieve our target for the 1970's as a whole.

While this was disappointing, it might be argued that the fact that any real growth was achieved was not a bad performance in the circumstances that developed. The hostile political and economic environment which plagued the private sector, and in particular the resource industries, during the 1970's has been dealt with at length in previous remarks to shareholders. About the best that can be said for the past decade is that some hard lessons seem to have been learned. There appears to have been a dawning realization that continued abuse of the wealth-creating sector in the end produced unpleasant social and economic consequences. For its part, the private sector learned that it could not take its role in society for granted, and that vigorous and persistent efforts are required to ensure that its point of view is both heard and understood.

There is reason to hope that the 1980's will be a period of more stable and predictable relations between the private and public sectors. However, it also seems likely that Canada is

going to pay for the excesses of the 1970's with slow growth and persistent inflation during the first half of this decade. This raises the basic question of how a company like Noranda should try to position itself in such an environment.

Our general view is that the next few years will present real opportunities in spite of a difficult economic environment. Canada was not alone in following perverse policies towards the resource industries during the 1970's, with the result that very little new capacity was added which had not been committed earlier. Thus, despite slow growth, development of new mines will be needed, and the industry as a whole may be starting on a secular uptrend.

At the same time, while there will be cycles within this uptrend, we do not expect a recurrence of the disastrous markets and prices that occurred in the post-1974 period. Recent prices for most commodities were not at historically high levels in constant dollars, and in some cases were still a long way from the prices needed to justify new capacity. Significantly lower prices would cause severe financial problems for many sectors of the industry. Moreover, Noranda's businesses are sensitive to the capital investment cycle, which appears to be due for a strong uptrend that should last for several years.

Thus, with financial strength restored and a reasonably positive outlook ahead of us, we believe that Noranda can adopt a cautiously aggressive policy towards new investment. During the depressed years of the 1970's, despite retrenchment and legitimate concern about our financial position, we tried to avoid panicking into actions that would reduce Noranda's scope for future development. The search for new ventures continued, even though we were in no position to undertake them in the near term. In particular, we generally maintained our research and exploration programs, although in the case of Canadian Hunter this required some sacrifice in terms of our interest in the venture. As a result, our revitalized financial condition is coupled with a large number of opportunities for constructive new investment.

In all of the circumstances, we believe that the objectives and strategies set forth in the early 1970's are still appropriate today. Our goal is still to provide a satisfactory and growing return on shareholders' equity within the constraints spelled out. We continue to believe that 11% real growth in terms of

earnings per share is a demanding but achievable target over time, although there will obviously be wide annual swings around the basic trend line. As before, achievement of this goal will require both a high standard of performance from existing operations and the successful execution of new ventures that promise a good rate of return.

Our aim is to continue to build a strong and diversified competitor in the world's natural resource industry, one that contributes to our economic development and in which our shareholders, employees and Canadians generally can take pride. In pursuit of this objective, however, we are determined not to repeat the mistake of the 1970's and allow Noranda's financial condition to deteriorate. The restoration of financial strength last year was absolutely essential in terms of Noranda's present plans, and the maintenance of that strength will be the key to our future success.

Meanwhile, prices for certain of Noranda's products have been highly volatile to date in 1980, with the prices for copper, silver, gold and lumber in particular having declined steeply from the peaks established earlier. Aside from affecting operating results, such declines resulted in inventory write-downs which reduced first quarter earnings by 30¢ per share. In addition, equipment problems at some operations temporarily affected planned production levels. As a result, while earnings during the first quarter of $101 million or $1.04 per share were an improvement on the $73 million or 88¢ per share earned during the same period last year, they were less than in the preceding quarter when results were favourably affected by inventory gains and several non-recurring items which together totalled 43¢ per share. The first quarter earnings include the February and March results of Maclaren, and the shares issued to acquire it were outstanding for the same period. At their meeting this morning, your directors declared a quarterly dividend of 30¢ per share and, for those who elect to take their dividend in stock, a price of $23.85 per share has been established.

As usual, forecasting results for the balance of the year is difficult. In the Annual Report, we stated that if the then-current levels of demand, prices and currency values were sustained for the balance of the year, a further substantial improvement in earnings could be realized. We went on to say that, with most economic forecasters expecting a recession, it

might be too much to expect that the then-current market conditions would continue, but that even with some modest softening of markets a further increase in earnings could be achieved.

Since that was written, a softening of markets has taken place and, in some cases, it has been much more than modest. There is also concern that current very high levels of interest rates will result in a recession more severe than previously forecast. In addition, of course, our renewed financial strength has been achieved in part by issuing more stock, and we must earn more in absolute terms to obtain the same level of earnings per share. At the moment, our best guess is that 1980 will be a satisfactory year in comparison with anything prior to 1979, but that we will do well to equal 1979's earnings per share this year.

In conclusion, I should repeat for emphasis a statement made in the Annual Report. The years 1974 through 1978 were particularly difficult ones for Noranda, characterized by inflation, weak markets, excessive taxes, totally inadequate earnings and an extended financial condition. These circumstances required stringent controls over production levels, operating costs and new capital commitments which placed a heavy burden on employees at all levels in the Noranda Group. The fact that Noranda has emerged from this period in a strong position is the result of the loyal, dedicated and highly effective efforts of these employees. To them, on behalf of the shareholders, the directors wish to express their admiration and gratitude.